

Nanterre (France), July 26, 2016

Faurecia: Strong profitability improvement in the first half 2016

- Total sales of €9.53 billion; organic¹ growth of 3.4%;
- Operating income of €490 million, up 28%, representing 5.1% of total sales up 110bp (or 6.2% of value added² sales up 130bp);
- Net income of €245 million, up 56%;
- Net cash flow of €205 million

Upgrade of 2016 guidance

- Operating margin (on total sales) of minimum 5.0% (previously 4.6% to 5.0%);
- Net cash flow minimum of €300 million (previously around €300 million).

The interim fiscal 2016 accounts were approved by the Board of Directors under the **Chairmanship of Yann Delabrière** at its meeting on July 25, 2016. Auditors have reviewed the accounts.

Patrick Koller, CEO of Faurecia: "Faurecia's robust profitability in the first half of 2016 of 5.1% operating margin, an increase of 110bp, was driven by a strong organic growth in Europe, clearly outperforming automotive production, a profitability breakthrough in North America and robust profitability in Asia. Based on an encouraging first half and an effective execution, we are upgrading our 2016 guidance. Our order intake momentum is very significant indicating solid future growth. The expected closing this week of the Exteriors disposal will allow us to further focus on our two strategic priorities: Sustainable mobility and Cockpit of the future. I would like to take this opportunity to thank all Faurecians for their contribution to this excellent performance."

In € million	H1 2015 Restated*	H1 2016	
Total sales	9,489	9,532	+0.5% +3.4% organic
Value Added² sales	7,788	7,922	+1.7% +5.0% organic
Product sales	7,232	7,295	+0.9% +4.2% organic
Operating income	384	490	+27.6%
As % of total sales	4.0	5.1	+110 basis points
As % of value added ² sales	4.9	6.2	+130 basis points
Net income (Group share)	157	245	+55.7%
Net cash flow	312	205	2.2% of sales
Net financial debt	946**	941***	-5 million

* IFRS 5; ** at December 31, 2015; *** at June 30, 2016

¹ Organic: constant currencies & scope

² Value added sales: Total sales less monoliths sales

2016 FIRST HALF RESULTS: STRONG PROFITABILITY IMPROVEMENT

The results described below are after application of IFRS 5 for both the period H1 2016 and H1 2015 (for more details see below)

Faurecia's first half **consolidated (total) sales** totaled €9,531.6 million, compared to €9,488.7 million for the first half of 2015. Faurecia's consolidated sales grew by 0.5% on a reported basis between the first half of 2016 and the first half of 2015. On an organic basis, **sales increased 3.4% compared to 2015**.

Value added sales (total sales less monoliths³ sales) were €7,921.7 million in the first half of 2016 compared to €7,788.0 million in the first half of 2015, showing an increase of 1.7% when compared to 2015 first half. On an organic basis, **value added sales were up 5.0% compared to the first half of 2015**.

Catalytic converter **monolith sales**³ reached €1,609.9 million in the first half of 2016 versus €1,700.7 million for the first half of 2015. They were down -5.3% on a reported basis and fell by -4.0% on an organic basis, driven by lower precious metal prices.

Product sales (parts and components delivered to manufacturers) were €7,294.7 million compared to €7,231.7 million in the first half of 2015. This represented an increase in product sales of 0.9% on a reported basis and **an increase of 4.2% on an organic basis**.

SALES BY CUSTOMER: HIGH GROWTH WITH RENAULT-NISSAN, FORD AND CUMMINS

The most remarkable developments involved Renault-Nissan +18% (organic) comforting its position of Faurecia's third largest client and Ford +11% (organic). Sales to Cummins for commercial vehicles were up 5% (organic). Commercial vehicles now represent 9% of sales for Faurecia Emissions Control Technologies. Sales to Chinese OEMs soared 31% (organic) and now account for 12% of sales in China.

SALES BY REGION: FAST GROWTH IN EUROPE, OUTPERFORMING AUTOMOTIVE PRODUCTION BY 260 BASIS POINTS

Product sales by geographic region for the first half of 2016 were as follows:

- In **Europe**, product sales totalled €3,833.1 million (52.5% of total product sales) for the first half of 2016, compared to €3,612.0 million for the first half of 2015. Product sales were up 6.1% on a reported basis when compared to the first half of 2015 and increased 7.1% on an organic basis. In this same period, car manufacturers increased production in Europe by 4.5%⁴ (incl. Russia);
- In **North America**, product sales fell -3.8% on a reported basis, to €2,067.8 million (28.3% of total product sales), versus €2,148.8 million for the first half of 2015. On an organic basis, product sales dropped -3.1% compared to an increase in production of 3.3%⁴. FCA's decision to drastically cut production of the Chrysler 200 before discontinuing it in spring 2017 has negatively impacted Faurecia's sales by 450bp (€97 m). Sales to Renault-Nissan increased by 7% (organic) and those to Daimler soared by 20% (organic);
- In **Asia**, product sales fell -4.3% on a reported basis to €1,106.8 million (15.2% of total product sales), compared to €1,156.8 million in the first half of 2015. On an organic basis, product sales grew 3.8%. China showed a fall of -11.5% on a reported basis, and decreased by 3.7% on an organic basis—first half 2016 product sales were at €842.7 million. Sales to Chinese automakers were up 31% (organic), representing

³ Precious metals and ceramics used in emission control systems.

⁴ Source IHS Automotive (July 2016)

12% of sales in China. Sales to international joint ventures were affected by a negative client mix. In Asia, production increased 2.5%⁴ and 5.8%⁴ in China.

SALES BY BUSINESS GROUP: STRONG GROWTH FOR AUTOMOTIVE SEATING +9.2% (organic)

Product sales in the first half of 2016 were as follows:

Automotive Seating: Product sales totalled €3,134.9 million compared to €2,938.1 million in the first half of 2015, an increase of 6.7% on a reported basis and an increase of 9.2% organic. This growth was driven by a number of launches for Nissan, Ford (close to +200%), BMW and Daimler.

Emissions Control Technologies: Product sales reached €1,914.9 million in the first half of 2016, a decrease of -2.2% on a reported basis but an increase of 1.2% organic. Sales to Renault-Nissan increased 18% (organic) and those to Cummins 5% (organic).

Sales for **Interior Systems** includes the sales from the remaining Automotive Exterior business. Product sales totalled €2,244.9 million versus €2,336.0 million for H1 2015, a decrease of -3.9% on a reported basis but stable at +0.4% organic. Product sales grew slightly as a result of the increase in sales with Renault-Nissan (+15% organic) and PSA (+5% organic). Growth was particularly impressive in Asia, where it reached 23% (organic), driven by business in China.

STRONG GROWTH IN OPERATING RESULTS +28%

Operating income (see definition below) stood at €490 million, or 5.1% of total sales (6.2% of value added sales), compared with €384 million and 4.0% of total sales (4.9% of value added sales) in 2015. It benefitted from the sales growth Europe, a significant improvement of the industrial performance in North America and a strong contribution from Asia.

Margin growth **by region** was particularly impressive in Europe and in North America:

- In **Europe**, the increased sales allowed for an improvement in operating income of €64.0 million, bringing operating income to 4.8% of total sales or €244.6 million. This compares to 3.7% or €180.6 million for the first half of 2015;
- In **North America**, despite a fall in sales of -2.9% on an organic basis, operating income increased by €43.5 million compared to the first half of 2015 to €118.4 million, thanks to an excellent industrial performance and a better cost control. Operating income stood at 4.5% of total sales, up from 2.7% in the first half of 2015
At the end of June, Faurecia disposed of its Fountain Inn facility (Interior Systems, turnover of approx. \$95 million in H2 2016) which will be earnings enhancing;
- In **Asia**, operating margin reached €139.5 million or 9.9% of total sales compared to H1 2015 figures 9.7% of total sales (€146.7 million). Profitability improved in Korea and in Thailand and stayed strong in China.

By Business Group, the profitability levels of our three Business Groups are converging:

- Operating income for **Automotive Seating** in the first half of 2016 was €175.4 million or 5.3% of total sales up 80bp compared to €139.2 million for the first half of 2015 (4.5% of total sales);

- Operating income for **Emissions Control Technologies** for the first half of 2016 was €200.5 million equivalent to 9.6% of value added sales (or 5.4% of total sales) an increase of 140bp compared to €171.4 million for H1 2015 (8.2% of value added sales or 4.5% of total sales);
- For the first half of 2016, **Interior Systems** had an operating income of €126.8 million or 5.0% of total sales +190bp versus €79.7 million (3.1% of total sales) for H1 2015.

Consolidated net income (Group share) stood at €245 million, compared with €157 million in H1 2015, an increase of 56%. Key items, excluding operating income, are:

- Restructuring costs, which stood at €58 million (compared with €31 million in H1 2015) to optimize the European industrial organization of Emissions Control Technologies;
- Net financing costs totalled €90.9 million versus €84.3 million in the first half of 2015. The first half 2016 costs include €21 million costs for the anticipated reimbursement of 2016 bonds. Net financial expenses are on track to be reduced by close to €50 m in 2016.

NET CASH FLOW ABOVE €200 MILLION AND NET DEBT ALMOST STABLE

Net cash flow (see definition below) stood at €205 million.

EBITDA grew €136 million to €814 million up 20%. This strong growth came mostly from the sharp increase of €106 m of the operating income.

Capital expenditure and **capitalized R&D** were up 5% at €417 million, compared to €398 million in H1 2015.

Working capital requirement improved by €75 million while in H1 2015 it improved by €160 million (largely on the back of higher receivables factoring).

At the end of June 2016, the Group's **net financial debt** (see definition below) stood at €941 million, almost stable when compared with €946 million at the end of December 2015. Faurecia completed its successful refinancing plan in the first half of the year with the issuance in March 2016 of €700 million in bonds maturing in 2023 with a coupon of 3.625%, the early redemption in April 2016 of €490 million in bonds maturing in 2016 with a coupon of 9.375% and with the renewal and extension to 5 years of its €1,200 m syndicated facility.

2016 OUTLOOK

Based on an encouraging first half and a solid industrial performance, Faurecia has upgraded its outlook, announced in February 2016, as follows:

Full-year 2016:

- Total sales growth: +1% / +3% organic
Unchanged
- An operating margin (on total sales) of minimum 5.0%
Previous guidance: Between 4.6% and 5.0%
- Net cash flow of minimum €300 million
Previous guidance: Around €300 million

The proceeds from the disposal of Automotive Exteriors will almost eliminate Faurecia's net debt.

Faurecia's financial presentation and financial report will be available at 6:30 am today (Paris time) on the Faurecia website: www.faurecia.com.

A webcast (www.faurecia.fr or www.faurecia.com) will take place at 9:00 am (Paris time).

The presentation can also be followed via conference call:

- France: +33 (0)1 76 77 22 23 ; UK: +44 (0)20 3427 1919

NEXT EVENTS

- Strategy update on China: Thursday September 8, 2016 (afternoon) in Beijing
- Booth tour during the Paris Auto Show: Friday September 30, 2016
- Third quarter 2016 sales release on Thursday October 13, 2016, after market hours.

About Faurecia

Faurecia is one of the world's largest automotive equipment suppliers, with three key Business Groups: Automotive Seating, Emissions Control Technologies and Interior Systems. In 2015, the Group posted total sales of €20.7 billion. At December 31, 2015, Faurecia employed 103,000 people in 34 countries at 330 sites and 30 R&D centers. Faurecia is listed on the NYSE Euronext Paris stock exchange and trades in the U.S. over-the-counter (OTC) market. For more information, visit www.faurecia.com

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Upon application of accounting rule IFRS 5, the assets and financial results corresponding to the business to be sold and the net result of these discontinued activities, have been isolated in distinct lines on the consolidated balance sheet and income statement. The results described below are after application of IFRS 5 for both the period H1 2016 and H1 2015

Definitions of terms used in this document:

1. Value added sales :

Total sales less monoliths sales

2. Product sales :

Parts and components delivered to manufacturers or value-added sales less R&D, tooling & prototype sales.

3. Monoliths sales:

Monoliths are components used in catalytic converters for exhaust systems. Monoliths are directly managed by automakers. They are purchased from suppliers designated by them and invoiced to automakers on a pass-through basis. They accordingly generate no industrial value added.

4. Organic or like-for-like :

Variation at constant exchange rates and consolidation scope.

5. Operating income:

Operating income is the Faurecia group's principal performance indicator. It corresponds to net income of fully consolidated companies before:

- other operating income and expense, corresponding to material, unusual and non-recurring items including reorganization expenses and early retirement costs, the impact of exceptional events such as the discontinuation of a business, the closure or sale of an industrial site, disposals of non-operating buildings, impairment losses recorded for property, plant and equipment or intangible assets, as well as other material and unusual losses;
- income on loans, cash investments and marketable securities;
- finance costs;
- other financial income and expense, which include the impact of discounting the pension benefit obligation and the return on related plan assets, the ineffective portion of interest rate and currency hedges, changes in value of interest rate and currency instruments for which the hedging relationship does not satisfy the criteria set forth in relationship cannot be demonstrated under IAS 39, and gains and losses on sales of shares in subsidiaries;
- taxes.

6. Net cash-flow

Net cash-flow is defined as follow: Net cash from (used in) operating and investing activities less (acquisitions)/disposal of equity interests and businesses (net of cash and cash equivalents), other changes and proceeds from disposal of financial assets.

7. Net financial debt

Net financial debt is defined as follow: Gross financial debt less cash and cash equivalents and derivatives classified under non-current and current assets.

APPENDIX

Sales by type in €m	H1 2015*				H1 2016			
	Product	Monoliths	R&D & Tooling	Total	Product	Monoliths	R&D & Tooling	Total
Automotive Seating	2,938.1		165.2	3,103.3	3,134.9		164.3	3,299.2
Emissions Control Technologies	1,957.6	1,700.7	134.5	3,792.8	1,914.9	1,609.9	166.6	3,691.4
Interior Systems	2,336.0		256.6	2,592.6	2,244.9		296.1	2,541.0
Automotive Exteriors								
TOTAL	7,231.7	1,700.7	556.3	9,488.7	7,294.7	1,609.9	627.0	9,531.6

*: Restated IFRS 5, remaining Automotive Exterior sales have been added to the sales of Interior Systems

in €m	H1 2015 IFRS 5	Currencies	Scope & Other	Organic (like for like)*	H1 2016 Reported
Total sales	9,488.7	-232.9	-46.1	321.9	9,531.6
Var in %		-2.5%	-0.5%	3.4%	0.5%
Value Added sales	7,788.0	-210.4	-46.1	390.2	7,921.7
Var in %		-2.7%	-0.6%	5.0%	1.7%
Product sales	7,231.7	-194.8	-45.8	303.6	7,294.7
Var in %		-2.7%	-0.6%	4.2%	0.9%

*: At constant exchange rates & scope

in €m	H1 2015*	H1 2016	Var in % Reported	Var in % Like for like**
Total sales				
Automotive Seating	3,103.3	3,299.2	6.3%	8.8%
Emissions Control Technologies	3,792.8	3,691.4	-2.7%	-0.2%
Interior Systems	2,592.6	2,541.0	-2.0%	2.2%
TOTAL	9,488.7	9,531.6	0.5%	3.4%
Product sales				
Automotive Seating	2,938.1	3,134.9	6.7%	9.2%
Emissions Control Technologies	1,957.6	1,914.9	-2.2%	1.2%
Interior Systems	2,336.0	2,244.9	-3.9%	0.4%
TOTAL	7,231.7	7,294.7	0.9%	4.2%

*: Restated IFRS 5; **: At constant exchange rates & scope

Sales by region	H1 2015*	H1 2016	Var in %		
in €m			Reported	Like for like***	LV production**
Total sales					
Europe	4,845.1	5,144.1	6.2%	7.0%	
North America	2,725.9	2,631.7	-3.5%	-2.9%	
Asia	1,514.2	1,412.4	-6.7%	0.5%	
South America	276.1	236.0	-14.5%	15.8%	
Rest of the World	127.4	107.4	-15.7%	7.0%	
TOTAL	9,488.7	9,531.6	0.5%	3.4%	
Product sales					
Europe	3,612.0	3,833.1	6.1%	7.1%	4.5%
North America	2,148.8	2,067.8	-3.8%	-3.1%	3.3%
Asia	1,156.8	1,106.8	-4.3%	3.8%	2.5%
South America	229.1	200.0	-12.7%	19.4%	-21.2%
Rest of the World	85.0	87.0	2.3%	29.1%	4.3%
TOTAL	7,231.7	7,294.7	0.9%	4.2%	2.4%

*: Restated IFRS 5; **: Source IHS estimates, July 2016; *** At constant exchange rates & scope

Cash flow reconciliation	H1 2016
<i>in €m</i>	
Net Cash Flow	204.6
Acquisitions of investments and business (net of cash & cash equivalent)	-25.8
Proceeds from disposal of financial assets	0.0
Other changes	-23.6
Cash provided (used) by operating & investing activities	155.3

TOTAL SALES* (in € m)	H1 2015	H2 2015	2015	2015**	H1 2015**	H1 2016
Europe	5,767.7	5,488.6	11,256.3		4,845.1	5,144.1
North America	2,795.4	2,748.2	5,543.6		2,725.9	2,631.7
Asia	1,514.9	1,587.0	3,101.9		1,514.2	1,412.4
<i>o/w China</i>	1,267.0	1,325.0	2,592.0		1,267.0	1,101.4
South America	301.8	249.5	551.3		276.1	236.0
RoW, Other & Elims	127.3	111.5	238.8		127.4	107.4
TOTAL	10,507.1	10,184.8	20,691.9	18,770.4	9,488.7	9,531.6
<i>o/w Monoliths sales</i>	1,700.7	1,603.7	3,304.4	3,304.4	1,700.7	1,609.9
PRODUCT SALES* (in € m)	H1 2015	H2 2015	2015	2015**	H1 2015**	H1 2016
Europe	4,440.6	4,116.2	8,556.8		3,612.0	3,833.1
North America	2,217.7	2,182.5	4,400.2		2,148.8	2,067.8
Asia	1,156.8	1,214.6	2,371.4		1,156.8	1,106.8
<i>o/w China</i>	952.0	993.7	1,945.7		952.0	842.7
South America	246.5	203.2	449.7		229.1	200.0
RoW, Other & Elims	85.0	85.5	170.5		85.0	87.0
TOTAL	8,146.6	7,802.0	15,948.6		7,231.7	7,294.7
OPERATING INCOME (in € m)	H1 2015	H2 2015	2015	2015**	H1 2015**	H1 2016
Europe	223.3	224.5	447.9		180.6	244.6
<i>Margin (as % of Total sales)</i>	3.9%	4.1%	4.0%		3.7%	4.8%
North America	78.2	140.1	218.3		74.9	118.4
<i>Margin (as % of Total sales)</i>	2.8%	5.1%	3.9%		2.7%	4.5%
Asia	145.7	146.9	292.6		146.8	139.5
<i>Margin (as % of Total sales)</i>	9.6%	9.3%	9.4%		9.7%	9.9%
South America	-26.4	-27.7	-54.1		-21.7	-17.6
<i>Margin (as % of Total sales)</i>	-8.7%	-11.1%	-9.8%		-7.9%	-7.5%
RoW, Other & Elims	3.1	4.9	8.0		3.2	5.4
<i>Margin (as % of Total sales)</i>	2.4%	4.4%	3.4%		2.5%	5.0%
TOTAL	423.9	488.7	912.6	830.0	383.7	490.3
<i>Margin (as % of Total sales)</i>	4.0%	4.8%	4.4%	4.4%	4.0%	5.1%
Margin (as % of VA sales***)	4.8%	5.7%	5.2%	5.4%	4.9%	6.2%

* by origin; ** Restated IFRS 5, remaining Automotive Exterior sales have been added to the sales of Interior Systems;

*** Value Added sales=Total sales - Monoliths sales

TOTAL SALES (in € m)	H1 2015	H2 2015	2015	2015*	H1 2015*	H1 2016
Automotive Seating	3,103.3	3,084.9	6,188.2		3,103.3	3,299.2
Emissions Control Technologies	3,792.7	3,657.3	7,450.0		3,792.8	3,691.4
Interior Systems	2,534.5	2,484.1	5,018.6		2,592.6	2,541.0
Automotive Exteriors (Sold July 29, 2016)	1,076.6	958.5	2,035.1			
TOTAL	10,507.1	10,184.8	20,691.9	18,770.4	9,488.7	9,531.6
<i>o/w Monoliths sales</i>	<i>1,700.7</i>	<i>1,603.7</i>	<i>3,304.4</i>	<i>3,304.4</i>	<i>1,700.7</i>	<i>1,609.9</i>
PRODUCT SALES (in € m)	H1 2015	H2 2015	2015	2015*	H1 2015*	H1 2016
Automotive Seating	2,938.1	2,888.3	5,826.4		2,938.1	3,134.9
Emissions Control Technologies	1,957.6	1,887.1	3,844.7		1,957.6	1,914.9
Interior Systems	2,286.7	2,165.3	4,452.0		2,336.0	2,244.9
Automotive Exteriors (Sold July 29, 2016)	964.2	861.3	1,825.5			
TOTAL	8,146.6	7,802.0	15,948.6		7,231.7	7,294.7
OPERATING INCOME (in € m)	H1 2015	H2 2015	2015	2015*	H1 2015*	H1 2016
Automotive Seating	139.6	166.0	305.6		139.2	175.4
<i>Margin (as % of Total sales)</i>	<i>4.5%</i>	<i>5.4%</i>	<i>4.9%</i>		<i>4.5%</i>	<i>5.3%</i>
Emissions Control Technologies	171.7	188.2	359.9		171.4	200.5
<i>Margin (as % of Total sales)</i>	<i>4.5%</i>	<i>5.1%</i>	<i>4.8%</i>		<i>4.5%</i>	<i>5.4%</i>
<i>Margin (as % of VA sales**)</i>	<i>8.2%</i>	<i>9.2%</i>	<i>8.7%</i>		<i>8.2%</i>	<i>9.6%</i>
Interior Systems	89.3	108.4	197.7		79.7	126.8
<i>Margin (as % of Total sales)</i>	<i>3.5%</i>	<i>4.4%</i>	<i>3.9%</i>		<i>3.1%</i>	<i>5.0%</i>
Automotive Exteriors (Sold July 29, 2016)	23.3	26.1	49.3			
<i>Margin (as % of Total sales)</i>	<i>2.2%</i>	<i>2.7%</i>	<i>2.4%</i>			
<i>IFRS 5 Adjustments</i>					<i>-6.6</i>	<i>-12.4</i>
TOTAL	423.9	488.7	912.6	830.0	383.7	490.3
Margin (as % of Total sales)	4.0%	4.8%	4.4%	4.4%	4.0%	5.1%
Margin (as % of VA sales**)	4.8%	5.7%	5.2%	5.4%	4.9%	6.2%

*: Restated IFRS 5; remaining Automotive Exterior sales have been added to the sales of Interior Systems;

** Value Added (VA) sales: Total sales less Monoliths sales